# VIRGINIA DEPARTMENT OF HEALTH (VDH) OFFICE OF DRINKING WATER (ODW) FINANCIAL AND CONSTRUCTION ASSISTANCE PROGRAMS (FCAP)

**RETURN APPLICATION TO:** 

Office of Drinking Water /VDH 109 Governor Street, 6th Floor Richmond, VA 23219 (Voice: 804-864-7501) (FAX: 804-864-7521)

PRE-SCREENING REQUIREMENTS:

Note: Submit two complete and signed applications and two copies of all required attachments

## APPLICATION FOR REFINANCE FUNDS OR TO PURCHASE A WATERWORKS

Application also available at: http://www.vdh.virginia.gov/odw/financial/dwfundingprogramdetails.htm

Incomplete information may result in the delay or rejection of the application request.

If approved the refinance will be for the same final maturity up to a 20 year loan at the core term interest which is set at closing but has historically been around 1.5 to 2.4%. VDH reserves the right to offer a 30 year if the waterworks meets certain disadvantaged criteria. The Safe Drinking Water Act allows the DWSRF to provide for extended term loans to disadvantaged communities provided that the loan terminates no later than the date that is 30 years after the date of the project completion and does not exceed the expected design life of the project. VDH reserves the right to provide special offer terms to consolidate failing waterworks to improve reliability.

## If you answer YES to any of these questions; STOP as you are not eligible to apply for Refinance funds. 1. Have you been debarred or suspended from applying for state or federal funds? ☐ Yes ☐ No ☐ Yes ☐ No 2. Is your waterworks state, federally, tribally, or privately owned? 3. Is the waterworks classified as a Non-community Waterworks (i.e. NTNC or TNC)? ☐ Yes ☐ No OTHER REQUIREMENTS - The following questions pertain to the construction debt being refinanced: If you answer NO to any of these questions; STOP as the funding request appears to be <u>ineligible</u> or your application needs to be revised. 4. If the debt was incurred for projects in addition to the construction of drinking water infrastructure can the drinking water portion be readily allocated with supporting documentation? ☐ Yes ☐ No 5. Is the debt pre-payable or current callable? ☐ Yes ☐ No 6. Was the debt incurred for DW construction with a construction initiation date after July 1, 1993? □ N/A, Unsure □ Yes □ No 7. If construction was initiated after October 30, 2009; were Davis-Bacon Wage requirements incorporated into the construction? □ N/A, Unsure □ Yes □ No 8. If plans and specs were approved after January 16, 2014; were American Iron and Steel or Buy American requirements incorporated into the construction? □ N/A, Unsure □ Yes □ No SECTION A: ORGANIZATIONAL AND CONTACT INFORMATION Legal Owner of Waterworks or Authorized Agent Name: Address: h. Contact Person: Telephone Number: \_\_\_\_\_\_ Alternate Number: \_\_\_\_\_ E-mail Address: FAX Number: Federal DUNS #:

### SECTION B: APPLICATION CERTIFICATION

The undersigned representative of the applicant certifies that the information contained herein and the attached statements and exhibits are true, correct, and complete to the best of their knowledge and belief. The undersigned agrees to clarify or supplement information pertaining to this application upon request. The undersigned recognizes that the information contained herein may be subject to state Freedom of Information Act requirements. The undersigned acknowledges that a part of any interest required on a closed loan can be used by VDH to support the drinking water program.

NA	AME and TITLE:		
OF	RGANIZATION:		
SI	GNATURE :	DATE:	
The Dri	ION C: DEBT REFINANCING OR PURCHASE INFORMATION inking Water loan can only be used to pay outstanding principal amount of the ines and the loan must be pre-payable or currently callable.	debtedness to be refinanc	red plus reasonable financing
1.	Debt Refinance or Purchase Funding for Drinking Water Infrastructure only		
	Amount of debt eligible for refinance or Purchase Funding (principal only)	\$	
	Other eligible costs (e.g. Bond Counsel)		_
	VDH loan closing costs (assumed)*	\$	6,000
	Total Amount of VDH funding assistance needed	\$	
	*VDH reserves the right to apply a closing fee of \$6,000 for all applicable lomay be included in the principal of the loan. If VDH determines a loan closifinal budget.	an offers to defray the co ng fee does not apply it w	st of this service. The \$6,000 vill be eliminated from the
2.	Existing final maturity and desired final maturity of debt:		
3. Type of security applicant anticipates giving for the loan: [Check All Appropriate Type(s)]			
	Pledge of Revenue of the Water System Only.		
	Pledge of Revenue of Water and Sewer System.		
	General Obligation of the Locality.		
	Other – Describe:		
	<b>ION D: PROJECT DATA</b> The following information will be used to deterthat was funded with the original debt.	mine the life of the loan a	and refers to the drinking water
1.	Project Completion Date:		
2.	Design Life of the Project (years):		
SECT	ION E: MEDIAN HOUSEHOLD INCOME (MHI)		
The foll	lowing information will be used to determine disadvantaged community status.	Use the census block or la	atest update for county/city/towns
( <u>http://f</u>	<u>actfinder.census.gov</u> ). If you have an income survey, attach the results to this ap	plication.	
1	Median Household Annual Income (MHI) of service area \$	vear	

### SECTION F: WATER USAGE AND RATES:

1.	What is the current monthly average number of gallons of water used per residential connection? gallons/month			
	Use total annual gallons billed for in–town residential customers divided by 12 months and divided by the total number of in-town residential customers.			
2.	Using the current rate structure (in-town, if applicable) for residential customers apply it to the average monthly residential water usage to derive the average monthly user rate =			
	Average Monthly Residential Water User Rate = \$ /month This is your <b>Water User Rate</b> .			
3.	When were water rates last increased or adjusted?			
4.	Determine Target User Rates:			
	Target user rates are set as a percent of Median Household Income (MHI). The annual MHI utilized for a project is to be based upon th latest census figures or latest update for the city, town or county in which the waterworks is located. Multiply by 0.01 (or 1%) and divide by 12 months to get the monthly target rate.			
	MHI (from item Section E, 1. Above) = \$ x 0.01 = \$ /month. This is your <b>Target User Rate</b> .			
5.				
	Does the value in Item 6 (water user rate) equal or exceed the value in item 4 (target user rate), above? $\frac{\text{Yes}}{\Box}$			
	If you answered "Yes" your waterworks/project may qualify as Disadvantaged. However rate increases/adjustments may be required to meet debt obligations or pass a VRA credit review.			
6.	Provide the percent of water loss within the system. Unbilled authorized consumption (e.g. firefighting) should be excluded.  Water losses as a percentage of total production. =%			
	This percentage includes:  Real water losses (Physical losses from leaks/bursts in the distribution lines and tank overflows)  Apparent water losses (includes metering inaccuracies and unauthorized usage [theft/illegal use])			
	TION G: REQUIRED ATTACHMENTS: Please label your attachments with corresponding numbers (i.e. G-1, G-2, etc.).   N/A" for Not applicable.			
1. Ou	utstanding debt amount and with whom. Include origination date(s) of the debt obligation(s) to be refinanced.			
se	stimated Refinance savings. Use the net present value savings of the existing debt minus the potential refinance debt. Assume a level debervice schedule with semi-annual payments at an interest rate of 2.2% for 20 years or shorter to match the existing final maturity date. The rest payment will be six months after loan closing and should occur within 12 months of application submittal.			

- 1.
- 2. If you have difficulty calculating this savings, please contact VDH.
- Controlling Board Authorization or Owner's Letter identifying Agent Authorized to make application to the DWSRF.
- One copy of the latest interim (unaudited) financial statement. 4.
- One copy of the current year budget. 5.
- One copy each of the five most recent annual audits. If the applicant has existing debt held by VRA and audit submittals are current, it is not necessary to submit. This item may be submitted in PDF format on a CD provided 2 copies of the CD are submitted.
- 7. One copy of the bond and loan agreement to be refinanced.
- One copy of your current rate structure.